

Deputy Director, CIA

15 January 1952

Assistant Director, ORR

National Security Council Progress Report on NSC 104/2, dated
26 December 1951

Following are comments on the Progress Report to the NSC by the
Under Secretary of State on the implementation of "US Policies and
Programs in the Economic Field Which May Affect the War Potential of
the Soviet Bloc" (NSC 104/2). These are furnished for briefing for
the meeting of the NSC Senior Staff on Wednesday, 16 January 1952.

Comments

Export Controls
Recommendation 9.
Last sentence, P.4.
See also Transit
and Transshipment
Controls, Appendix
I, first paragraph,
last 2 sentences, P.9

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COCOM discussions on the China embargo and
China shipping controls are still inconclusive.
(State Incoming Paris 3969, 3 January '52).

Attached is draft of a proposed contribution to
SIE-3, on the extent to which other Non-Soviet
countries may be expected to comply with an
embargo of communist China.

International
Allocation of Short-
Supply Materials
Recommendation 10.

Regarding the work of the International Materials
Conference, the London Economist, 29 December 1951
in the article "Teamwork in Raw Materials", states,
"Britain's record in this body is unfortunately
not untarnished, because materials like tin and
rubber, which the sterling area produces and the
US consumes, were not brought into the area of the
conference."

Export Controls
on Technology
Recommendation 18

The Agency has taken a position on control of
technical data in line with that of the State
Department and the Library of Congress. That
position generally has been: (1) that the

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embargo of technical data appearing in a form generally available to the public would be ineffective and would bring retaliation in the discontinuance of existing exchange arrangements. (2) The most effective control of technical data which it is desired to withhold from the Soviets is necessarily at the pre-publication level, i.e., by classification of such government publications and by voluntary submission of technical data before publication. (3) In the case of publications generally available to the public, it is desirable to control quantitatively the export of such publications to the Soviet Bloc. (4) It is desirable to exclude from the General License Industrial catalogs, operating manuals, etc.

Shipping, p.5
and 6, first
paragraphs.

The COCOM meeting of shipping experts was held in Paris from 27 November to 5 December 1951. Principal results: (1) COCOM countries will not export to Soviet bloc vessels of 7,000 GRT or 12 knots speed and fishing vessels of strategic value without prior consultation in COCOM. (2) COCOM members will avoid fitting the following items into ships under construction for the Soviet bloc: certain types of diesel engines, gyro-compressors, marine radar, condenser tubes, bearings for propeller shafts. (3) Control of ships' supplies and stores scheduled for later discussion. (4) No agreement on charter or transportation controls, but specific discussions have continued with respect to China trade controls.

Details of the Paris meeting and the present framework of COCOM shipping controls are set forth in IP-260, attached.

The US Advisory Committee on Export Policy on 9 January 1952 (OC Doc 798) recommended US and international controls of bunkering of vessels and aircraft destined for Communist controlled Far Eastern ports (which would include Dairen, Port Arthur and Vladivostok).

Decreasing Reliance
on Trade with the
Soviet Bloc p. 6
Recommendations 21,
22, and 23

ORR is in full agreement with the conclusions of the ECA Study #8. Attached is a summary of the most significant findings.

Attached also is a copy of OUR comments on the
HGA report.

MAX F. MILLIKAN

Attachments (3)

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